*Previous references.*

1905-6
(Bank King)

**File No.** 2

**Serial Nos.** 15

*Later references.*

# GENERAL AND REVENUE SECRETARIAT.

*Serial Nos.*

**Part B. for** February

SUBJECT.

Debit of half of Mr Pilkingtons pay & fixed travelling allowance to the Chikmagalur Agricultural Bank

FILE No. 2 of 1905-06.

*Debit of half of Mr. Pilkington's pay and fixed travelling allowance to the Chikmagalur Agricultural Bank.*

15 From the Deputy Commissioner, Kadur District, No. 509, dated 16th January 1906.
Forwards copy of letter, No. 3796—Loans 670-71, dated 12th January 1906, from the Comptroller informing that the moiety of pay and fixed travelling allowance of Mr. Pilkington amounting to Rs. 175 will be charged to the Chikmagalur Agricultural Bank and requests that, as the Bank is no longer in existence, he may be favored with early instructions on the subject.

16 To the Deputy Commissioner of the Kadur District, the Deputy Commissioner of the Hassan District, and the Comptroller to the Government of His Highness the Maharaja, No. Fl. 5291-3, dated 22nd February 1906.
Directs that the amount be debited to State Funds.

Fl. 3537-40—B. 1-05-8, dated 2nd December 1905.

32

G. R. S. 11] 1905

GENERAL AND REVENUE SECRETARIAT

( Banking )

NOTES.

File. No 2-05

FILE HEADING.

Debit of half of Mr. Pilkington's pay and fixed travelling allowance to Chikmagalur Agricultural Bank.

From

The Dy. Commissioner - Kadur District

No. 569 Dated 16-1-06 Received 19-1-06

Diary No. 3019 | Enclos. 1 | Spare Copies. | Serial No. 15

BRIEF ABSTRACT OF LETTER.

Forwards copy of letter No. 3796 / Loans 670-71 of 12-1-06 from the Comptroller informing that the moiety of pay and fixed travelling allowance of Mr. Pilkington amounting to Rs: 175/= will be charged to Chikmagalur Agricultural Bank and requests that as the bank is no longer in Existence he may be favored with early instructions on the subject

NOTES AND ORDERS.

In G. O. No. Fl. 3537-40 / B. 1-05-8 of the 2nd December 1905 the salary and fixed travelling allowance of Mr. Pilkington have been fixed at Rs. 300 and Rs. 50 per mensem respectively. The Comptroller has intimated the Dy. Commr. Kadur Dist. that the moiety of the said amounts will be charged to the

Notes—First sheet.

MGCPB—30,000—17-2-05.

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The Agricultural Bank at Chikmagalur every month the Dy. Coun. states that he is unable to understand how the said amounts can be debited to the bank which is no longer in existence - and that moreover the members of the said bank were not given to understand that they will have to bear this charge, while their loans will have to be eventually recovered from them individually on bonds to be executed by each of them afresh.

No communication from the Dy. Coun. Kaisar Desh., on the point has been received.

In my the approval of the draft which has been submitted to the Diwan Sahib, about the proposals of the Dy. Coun. on the suggestions of the Auditor who audited the accounts of the bank, be awaited.

AK
22/1/06.

As the question was investigated mall its details by the Semi Asst. - Asst Cas. M. Ramaswami Iyengar and the audit staff, this may be submitted then for fresh remarks, before it is submitted to Govt -

V
22-1-06

Sub.

The Bank has stopped its transactions but exists for the purpose of the winding up. It will cease altogether when finally dissolved



MGCPB—20,000—1-11-04.

Serial No.

after the members execute documents in favour of Government.

The transactions having been stopped the Bank does not earn anything now If the charge has to be met by the Bank it can be paid only from the past earnings, i.e. fr. the Surplus or Reserve Fund of the Bank

But a distinction has to be made between the arrear of about Rs. 8300 found due at the date of the commencement of the winding-up in regard to which the order has been made that it should be met from the Reserve Fund, and the pay and allowances subsequent to that date.

Properly speaking, the charge in either case is not one which can be debited to the Surplus or Reserve Fund which according to sees 56 & 76 of the Arts of Association has to be used to meet losses and to serve a purpose of local general utility but the procedure ordered in the first case can be justified. ~~either case~~

The first order relating to the appointment of an Inspector of Coffee Estates is as follows: "It is considered necessary that expert advice and inspection in regard to these two Banks should be secured Accordingly, Government have decided to appoint an Officer to be

G.R.S. 12
General and Revenue Secretariat.

Banking File No. 2 of 1905—

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called the Inspector of Coffee Estates on a monthly salary of Rs. 500 to be paid out of the funds of both these Banks" The functions of the Officer are referred to in the Minute of the Arrangements under which Government agreed to advance money for working expenses

There are two ways of viewing the charge (1) as forming part of the Bank's Establishment charges: in which case the Bank should have provided for it, like other Establishment charges, before making allotments for the payment of interest or the return of advances or loans;

(2) as partaking of the nature of working advances save in regard to the incident of bearing interest: in which case it should be regarded as a grant for working expenses.

If the first view is adopted – and it is perhaps the right course during the existence of the Bank – the pay and allowances of the Inspector should have been adjusted from the Bank's income in the half yearly balance sheets which not having been done the surplus is shown larger than it should be The large arrear which was allowed to accumulate on



MGCPB—20,000—1-11-04.

Serial No.

account of the Inspectors pay & allowances up to the date of the commencement of the winding up of the Bank thus becomes a charge on the surplus

The question is whether from the date of the commencement of the winding-up a refund of the Inspector's pay & allowance can be claimed from the members individually as a working advance. In the draft form of document to be executed by members there is a provision that the lien of Government on crops should have precedence in regard to advances for working expenses &c., and if it is desired that the members should bear the charge the Deputy Comm^r will have to come to an arrangement with them The charge will amount to about ¾ per cent per annum on the principal amount of loan due to Govt by the Chikmagalur Bank and to about ½ p.c. in the case of the Sakleshpur Bank

It seems however preferable that the Govt should bear the charge; for —

(1) Of the duties prescribed for the Inspector in the Memo. of Arrangement referred to, two only seem to remain after the dissolution of the Bank — (a) giving the members the



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benefit of his experience, which they may not value now having had it for the last 3 years, (b) Submitting fortnightly diary to the Deputy Commr. on the condition of the Estates, which is necessary mainly in the interests of Govt. as the creditor

(2) The members had applied for reduction of interest and might feel this addition of ½ or ¾ per cent as an unjustifiable burden, while from the stand-point of Govt. the charge is a small one compared with the amount at stake and the amount of interest recoverable annually

Subd. with draft of ~~an~~ order

25.1.06.

26.1.06. I do not know if the State should bear this charge. Submitted to the Diwan Sahib for orders

27.1.1906

1104²/28.1.06.

16 To The Dy. Commr. Kadur Dist.
do — Hassan Dist.
Comptroller to the Govt. of H.H. the Maharaja
No. H 5201-3 of 22-2-06.

Directs that the moiety of the pay and allowances



MGCPB—20,000—1-11-04.

Serial No.

of Mr. Pilkington during the time the bank was working has become a charge on the surplus of the bank and that subsequent to the winding up of the bank they cannot be charged to its surplus but should be debited to the State funds.

D. 3019 H.P. 15

15

11 Dec 1906 1911 i 1.

2-18

From The Deputy Commr
Madras District

To The Secretary to the Govt of Impl
General & Revenue Depts

Dated 16th January 1906.

Despatched 17th

Received

General No. 509

No.

Enclosure No. One.

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Requesting early instructions re debiting half of Mr Pilkington's pay to the Chingleput Agl Bank as informed by the Comptroller

Deputy Commissioner's Office,

Kadur District,

Chikmaglur,16th January,1906.

From,

M.Chengiah Chetty,Esq.,B.A.,

Deputy commissioner,

Kadur District.

To,

B.K.Venkatavaradaiengar,Esq.,

Secy.to the Government of Mysore,

Gen.and Rev. Departments.

Sir,

In forwarding herewith copy of the Comptroller's docket No 3796/Loans 670-71 dated the 12th January,1906,stating that half the pay and trawlling allowance,viz.,Rs 175. per mensem to be paid to Mr. Pilkington, Inspector of Coffee Estates,should be debited to the--- Chikmaglur Agricultural Bank,I have the honor to state that as the Bank in question is no longer in existence I am unable to understand how this amount can be debited to the Bank.Moreover,the members thereof were not given to understand that they will have to bear this charge, while their loans will have to be eventually recovered from them individually on bonds to be ~~ex~~executed by each of them afresh. I beg the favor of early instructions on the subject.

I have the honor to be,

Sir,

Your most obedient servant,

K. Anjaneya Rao

for Deputy Commissioner,

A.M.S. Kadur District.

From,

Rai. N. G. Basu Bahadur,M.A.,

Comptroller,Mysore Government.

To,

The Deputy Commissioner

Kadur District.

Dated 12th January,1906.

No 3796/Loans 670-71.

Adverting to Government Proceedings No. 3537-40/B.1-05-8 dated 2nd Decmber,1905,reappointing Mr. Pilkington as Inspector of Coffee Estates on a salary of Rs.300/-plus a fixed travelling allowance of Rs. 50/-per mensem, has the honor to inform that the above charge will be distributed as noted in the margin.every month.

Half the charge,viz.,Rs.175/-
to Chikmaglur Bank.

Sd/ T. Lakshminarasimha Rao,

Asst. Comptroller.

Copy

T. Lakshminarasimha Rao

for Deputy Commissioner,

A.M.S. Kadur District.

Diary no. 3019

3

Please type
two more type

Read -

Letter No. 509 dated the 16th January 1906 from the Dy Commr Jalpaiguri Kaldar District submitting for orders a letter from the Comptroller & the Posts stating that a moiety of the pay and allowances of the Inspector of Offices Estates will be charged to the Chalsa Agricultural Bank as was done during the first period of his employment

Letter No. 66 of the 31st January 1906 from the Dy Commr Jalpaiguri

+See Serial No. 18 P.B. 2-05

Order

No. 2L 5201-3 / B.2-05-16 dated 22-2-06

A moiety of the pay & allowances of the Inspector was properly chargeable to the income of the said Bank during the time it was working, and it should have been adjusted in the half yearly balance sheets of the Bank. As it was not so adjusted and the Bank has ceased to work the amount of arrears has become a charge on the surplus of the Bank. The pay and allowances of the Inspector subsequent to the winding-up of the Bank cannot be charged to its surplus.

The Members of the Bank who individually undertake to

discharge the liabilities of the Bank after its dissolution, ~~and derive no benefit~~ to the extent of their own debt to the Bank, and derive some benefit by the visits of the Inspector to their Estates ought to share the charge ~~which~~ at present amounts to but ½ or ¾ p.c. per annum on the principal sum due by each; but in view of the circumstances under which the interest on the advances of working expenses advanced to the members was reduced from 6 to 4 per cent; the Govt are pleased to direct that from the date of the commencement of the winding up of the Bank the charge be debited to State funds ~~not from the interest received from the Members~~

1130
16.2.06

Secretary

16.2.1906
17.2.06

To The Deputy Commr Hazaribagh
" Hazaribagh
" The Comptroller to the Govt.